DOCUMENT RESUME

ED 259 359 CS 209 094

AUTHOR McCabe, Douglas M.
TITLE The Labor-Management Communication Process: Current Developments in Labor-Management Cooperation.
PUB DATE Apr 84
NOTE 7p.; In: Ramsey, Richard Davis, Ed. Professional Communication in the Modern World: Proceedings of the American Business Communication Association Southeast Convention (31st, Hammond, LA, April 5-7, 1984). p193-198.
PUB TYPE Speeches/Conference Papers (150) -- Viewpoints (120)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Attitude Change; *Conflict Resolution; Cooperation; *Employer Employee Relationship; *Grievance Procedures; Interpersonal Relationship; *Labor Relations; *Organizational Communication; *Participative Decision Making; Speech Communication; Vocational Adjustment

ABSTRACT

Two major developments have occurred in recent years in the area of labor-management relations, both of them based on the principle of cooperation, in contrast with the traditional adversarial stance of the two parties. The first is cooperation between management and its counterpart in the labor movement, union leadership; and the second is cooperation between management and, with the approval of union leadership, employees considered as individuals or members of small work groups. If a single word is to serve as the slogan of labor-management cooperation, it well could be the word "communication." Labor-management cooperation is increasingly on the agenda of the country's largest corporations and unions. Like any new idea, the concept of employee participation in making work life more meaningful and the company more prosperous will necessarily involve a long evolutionary period in business and industry. At the level of everyday practicality, probably the most vital aspect of the programs is intensive preliminary training--in advance of the installation of a program--that would involve the proper techniques of cooperation and communication for the benefit of every person in the corporation. (HOD)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED259359

In *Professional Communication in the Modern World:*
Proceedings of the American Business Communication Association
31st Southeast Convention 1984
Compiled and edited by Richard David Ramsey
Hammond, Louisiana, U.S.A.
Southeastern Louisiana University
1984 April 5-7

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
X This document has been reproduced as received from the person or organization originating it.
Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.
"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
Douglas M. McCabe
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

THE LABOR-MANAGEMENT COMMUNICATION PROCESS: CURRENT DEVELOPMENTS IN LABOR-MANAGEMENT COOPERATION

Douglas M. McCabe, Georgetown University

ABSTRACT

This paper analyzes strategic developments in labor-management cooperation with special emphasis on the tactical labor-management communication process. Policy recommendations for management, labor, and the government are delineated.

INTRODUCTION

The general subject of current developments in labor-management cooperation, and the specific one of current developments in labor-management communication, are timely and important. My assignment is not to discuss the broad field of the responsibilities which management and union leaders have to society; my scope is merely the responsibilities which they have to enhance the social well-being of employees. That necessitates conformity with the present emphasis of organizational behavior specialists on what they call quality of work life, which requires giving employees a voice in management's decision-making process. The final consideration is that an employee must feel that he has respect and dignity accorded him both by management and by the social community in which he resides.

One thing in particular is necessary for achieving that goal. Management and labor must eliminate their traditional adversarial stance and work cooperatively to create a better economic and working climate. That adversarial stance is partly the fault of federal labor law, but it is also the fault of selfish management and misguided labor leaders. The time has come for management and labor to realize that their best interests lie in active cooperation in navigating toward what is actually their common goal--a prosperous economy. Furthermore, it is evident that they must either row together or sink together, and there are signs that they are beginning to realize that sobering fact.

Two major developments have occurred in recent years in the area of labor-management relations, both of them based on the principle of cooperation, in contrast with the traditional adversarial stance of the two parties. The first is cooperation between management and its counterpart in the labor movement, union leadership; and the

CS209094

second is cooperation between management and, with the approval of union leadership, employees considered as individuals or members of small work groups.

CURRENT DEVELOPMENTS IN LABOR-MANAGEMENT COOPERATION

Secretary of Labor Raymond J. Donovan has stated that the traditional adversarial stance between management and labor must be eliminated, adding: ". . . government can set a tone and a direction, but it is you--workers and managers--who, through your interaction, will offer America and each other the greatest potential for growth" (U.S.-Department of Labor, Labor-Management Services Administration, 1982b).

Historically, the concept of labor-management cooperation began with concern only for efficiency and productivity, with job satisfaction and the quality of work life being stressed only recently. Furthermore, whereas a limited number of companies have long involved individual employees in company committees modeled after the McCormick company's "participative management," the major practice has been committees consisting of top-level executives and union officials. In 1968 the Railroad Labor-Management Committee was formed, consisting of eleven railroad presidents, the industry association, and six unions. In the steel industry, an extensive cooperative productivity program began in 1971 with an agreement between the Steelworkers and 10 basic steel companies, providing for a committee in each plant. And, in 1973 the concept of job enrichment emerged in the automotive industry in the form of the General Motors - United Auto Workers Committee to Improve the Quality of Work Life. In 1974 the Joint Labor-Management Committee of the Retail Food Industry was formed, but its objectives did not include job enrichment. The Federal Mediation and Conciliation Service has long encouraged the formation of joint labor-management committees, but from the limited viewpoint of preventive mediation. At the level of an industrial community, a notable development, was the establishment in 1972 of the Jamestown Area Labor-Management Committee. The idea was suggested to the mayor of the city by the Federal Mediation and Conciliation Service, and involved thirty companies and four unions. And finally, at the top of the heap, there is the National Center for Productivity and the Quality of Working Life, an independent agency composed of labor, business, government, and public leaders. An encouraging sign is that, in recent years, more than 300 labor-management committees have been formed annually with the assistance of the Federal Mediation and Conciliation Service, although their structure and goals differ widely (U.S. Department of Labor, Labor-Management Services Administration and Bureau of Labor Statistics, 1982).

If a single word is to serve as the slogan of labor-management cooperation, it well could be the word communication. Examples are numerous. At Portage, Indiana, a plant of Midwest Steel needed more business to keep the city prosperous, and a labor-management team found the answer: an advertising campaign urging local people to buy soft

drinks in tin cans instead of aluminum ones. Another example is the dissatisfaction of Copperweld with the steel wire produced by Bethlehem's plant at Johnstown, Pennsylvania. Workers' participation teams at both plants visited each other, and the Bethlehem workers were able to improve the quality of their wire. Last fall in Philadelphia, the A&P supermarket needed wage concessions in order to remain in that city. In return, the employees won the right to make operating decisions. They changed store hours, changed advertising from direct mail to newspapers, and sent slow-moving items back to suppliers. The basic concept in these examples, as in all labor-management cooperation, was expressed by Peter Pestillo, Ford's vice president of labor relations: "The distinction we draw is that major policy questions have to be addressed by management, but how we go about doing it ought to be in consultation. We operate smarter by drawing more people into the decision-making" (U.S. Department of Labor, Labor-Management Services Administration, 1982a).

At Buick's Factory 81, the entire plant was designed to give maximum operating authority to self-managing workers' teams, each one controlling its own production, quality, materials, and equipment maintenance; and, as is therefore required, they are the primary recipients of the plant's performance data. Workers are paid for their knowledge rather than for their job classifications. Every worker is expected to learn all the jobs in this team, and to be not only a student but also a teacher. There are no time clocks, no shop rules, and no privileged parking. The atmosphere is one in which each worker knows that his contribution is vital to the success of his team (U.S. Department of Labor, Labor-Management Services Administration, 1982c).

The Lansing (Michigan) Area Joint Labor-Management Committee published statements by David Easlick, president of Michigan Bell Telephone, and Glen Watts, president of the Communications Workers. Easlick said that the quality of work life is one of the hottest topics of the day. He declared that employees' frustrations stem from the way they are treated as people, and that, increasingly, they feel the effect of not having a voice in management decisions. Watts, as a labor leader, said that there must be more democracy in industry, but always with collective bargaining as its foundation (U.S.Department of Labor, Labor-Management Services Administration, 1982c).

The steel industry's Labor-Management Participation Teams Experimental Agreement of 1980 is notable for emphasis on its experimental nature. Management and the Steelworkers are wisely feeling their way toward cooperation with caution, but at the same time with hope. The Agreement begins with this statement: "The strength and effectiveness of an industrial enterprise in a democratic society requires a cooperative effort between labor and management at several levels of interaction. The parties must pursue their joint objectives with renewed dedication, initiative, and cooperation." The Agreement provides for participation teams each of which will have a management co-chairman and a labor co-chairman, the latter selected by the workers in each team's department or unit. A team discusses and decides on improvement of its department or unit's performance, employee morale

and dignity, and conditions of the work site, but has no jurisdiction over grievances. Above all the teams is a Participation Team Review Committee consisting of a management representative and one from the union (U.S. Department of Labor, Labor-Management Services Administration, Division of Cooperative Labor-Management Programs, 1983b).

Labor-management cooperation is increasingly on the agenda of the country's largest corporations and unions. Another example is General Motors and the Auto Workers. The unions took the initiative of recommending a National Committee on Quality of Work Life, the word "National" meaning the entire corporation. The company rejected this proposal as a usurpation of management's right, but later accepted it. On the theory that, if the idea would work in one of GM's worst plants, it would work anywhere, the Tarrytown plant was selected for the first experiment. Tarrytown was 17th in quality, had the highest grievance record in the corporation, had more strikes and strike threats than most plants, and suffered poor relations between the union and management. One department at Tarrytown was selected for the first experiment. Grievances dropped from twenty per week to three per month, the former excessive disciplining of workers by supervision was stopped, absenteeism fell from fourteen percent in that particular department to less than three percent, and morale was at an all-time high. The plant rose in the corporation from 17th in quality to first place. It was selected as one of only three General Motors plants to make the Chevrolet Citation model, which meant more work, more overtime, and more job security for the employees (U.S. Department of Labor, Labor-Management Services Administration, Division of Cooperative Labor-Management Programs, 1983a).

INTEGRATIVE ANALYSIS

A new age is undoubtedly dawning in the area of labor-management relations. Like any new idea, the concept of an employee participation in making work life more meaningful and the company more prosperous will necessarily involve a long evolutionary period in business and industry. There will be considerable experimentation, with initially some successes and probably many failures. The fact that workers' participation has continued and developed in economically lean years shows that it is not just a passing vogue. A continuous move toward more extensive forms of worker participation has in general been emerging.

Management is probably more skeptical than labor leaders. Labor leaders wonder what impact participative management will have on their personal status as well as on the attractiveness of union membership, but management has reason to be even more cautious. A glance at the history of labor-management relations will explain why. At the beginning of those relations, management had all the power and all the rights. Then, during the course of the last hundred years, the collective bargaining table served as an instrument for gradually transferring power and rights from management to labor.

Consequently, management cannot be expected to react enthusiastically to proposals for the participation of employees in the decision-making process; management must first be convinced by moderate experimental programs that its now limited power and rights will not be further reduced.

One of the features which union leaders and employees will insist on is that, when a participation project results in reducing or obsoleting jobs, the reduction in a work force will be accomplished solely by normal attrition, not by lay-offs. Another problem is that various practices which are prescribed in present labor agreements must be amended or eliminated before changes recommended by participative work teams and labor-management committees can be implemented.

In this integrative analysis, I have purposely emphasized some of the negative aspects and problems of this new era in labor-management relations. My purpose is not to discourage its proponents but rather to provide a balance with the success stories, and to emphasize the need for a high degree of professionalism in paving the way for job enrichment and labor-management cooperative programs.

On balance, the pessimistic features and the optimistic features of this very complex subject are weighted very definitely toward the optimistic side. There is no obstacle which is insurmountable. There is no person or group who must necessarily suffer. The great virtue of all the programs is that they are voluntary, and all people concerned can drop out if they find a project not to their liking.

CONCLUSION

At the level of everyday practicality, probably the most vital aspect of cooperative programs is intensive preliminary training, in advance of the installation of a program. This preliminary training should involve the proper techniques of cooperation and communication for the benefit of every person in a corporation from the president on down. There are various sources of information: the experience of other companies, labor relations textbooks and journals, labor relations consultants, and specialists in the U.S. Department of Labor who are deemed useful and even desirable in tailoring programs to the needs of specific companies, but with the caution that they should step out of the situation as soon as possible so that management and labor will not lean too heavily on them.

Finally, it should be assumed that generally a full-fledged cooperative program can be established in a company only over a protracted duration of time. The job should be done slowly and cautiously, in as much as the changing of human attitudes is involved. Moreover, every company has its own unique internal situation, and so a program which has been successful in one company may

fail in another if installed without modification. Consequently, the sensible approach is to begin experimentally either with a single quality of work life team or with as few teams as possible.

In the future, the needs of the nation--including the social and economic well-being of both blue-collar and white-collar employees--must be based not upon principles of expediency, but upon sound principles of cooperation and of organizational and interpersonal communication.

REFERENCES

U.S. Department of Labor, Labor-Management Services Administration. (1982a). Plant closings: What can be learned from best practice. Washington, DC: U.S. Government Printing Office.

_____. (1982b). Report on the secretary of labor's Symposium on Co-operative Labor-Management Programs. Washington, DC: U.S. Government Printing Office, 1982.

_____. (1982c). Starting labor-management quality-of-work life programs. Washington, DC: U.S. Government Printing Office, September 1982.

U.S. Department of Labor, Labor-Management Services Administration and Bureau of Labor Statistics. (1982). Labor-management cooperation: Recent efforts and results. Washington, DC: U.S. Government Printing Office, December 1982. LMSA Publication 6, BLS Bulletin 2153.

U.S. Department of Labor, Labor-Management Services Administration, Division of Cooperative Labor-Management Programs. (1983a). Guide to labor-management cooperation. Washington, DC: U.S. Government Printing Office.

_____. (1983b). Perspectives on labor-management cooperation. Washington, DC: U.S. Government Printing Office.